Deposits of Bank of Baroda

4447. SHRI BASUDEB ACHARIA : Will the Minister of FINANCE be pleased to state :

(a) whether the total deposits of Bank of Baroda as on March 31, 1996 stands at Rs. 28369 crores and a total advance at Rs. 16012 crores;

(b) whether Capital Adequacy of Bank of Baroda is 11.2 percentage s against 11.2% as per RBI guidelines; and

(c) if so, the reasons for reported decision to issue Equities by the Bank of Baroda on the plan of pushing up Banks Capital base ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Reserve Bank of India (RBI have reported that the total deposits of Bank of Baroda as on March 31,1996 were Rs. 28370 crore and total advances were Rs. 16013 crore.

(b) The capital to risk weighted assets ratio (CRAR) of Bank of Baroda for the year 1995-96 was 11.2% as against the minimum CRAR of 8 per cent prescribed by RBI.

(c) Reserve Bank of India (RBI) has further reported that Bank of Baroda's need for capital has ansen as the bank expects substantial growth in business in the coming years and consequently the risk weighted assets are expected to be Rs. 27600 crore by 1999. The increase in Tier-I capital through ploughback of profit alone is not sufficient to enable the bank to maintain capital adequacy at the present levels. There will be considerable reduction in Tier-II capital due to reduction in the amounts of subordinated debt and revaluation reserves. Further, bank's overseas assets are subject to exchange fluctuations when translated into Indian currency. Hence the bank needs the additional capital to maintain in the CPAR.

Bank Frauds

4448. SHRI JAI PRAKASH (Hardoi) :
SHRI RAM SAGAR :

Will the Minister of FINANCE be pleased to state

(a) whether attention of the Government has been drawn to the newsitem captioned "Bank Ghotale Karne Wale Giroh Ka Bhandafod" appearing in Dainik Jagran dated march 5, 1997;

(b) if so, the facts of the matter reported therein; and

(c) the action taken by the Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) Canara Bank has reported that some miscreants in connivance with employees of the bank had stolen 48 demand draft leaves from the Daraundha Branch and Bhore branch of the bank. Subsequently, 20 demand drafts were fraudulently encashed by the miscreants from four branches of the bank involving an amount of Rs. 100 lakhs. The miscreants also attempted to encash two demand drafts amounting to Rs. 10 lakhs from the bank's account section, Mumbai. However, the fraud was averted.

The bank has lodged a complaint with the Central Bureau of Investigation (CBI) and three employees of the bank have been arrested by CBI. The bank has placed two employees under suspension. An amount of Rs. 22.30 lakhs has been recovered by the bank.

Bank Fraud in Vijaya Bank

4449. SHRI JAI PRAKASH (Hardoi) : Will the Minister of FINANCE be pleased to state :

(a) whether Rs. 117 crore fraud taken place in Vijaya Bank has been unearthed by the anti-corruption wing of the Central Bureau of Investigation recently;

(b) if so, the details thereof; and

(c) the reasons for the scam not coming to light earlier ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) Vijaya Bank has repoted that certain irregularities were observed by the bank in the conduct of the account relating to advances granted by the bank to M/s P.J. Pipes & Vessels Ltd. The internal investigation by the bank revealed lapses on the part of officials of the bank and also diversion of funds by the borrowing company. The matter was referred to Central Bureau of Investigation (CBI) on 4.8.1995 with the request to register a Regular Case for further investigation. Reserve Bank of India (RBI) at the instance of Government of India also conducted a detailed scrutiny of the account and the report of the RBI was sent to CBI by the Government with the request to register a case and investigate the matter thoroughly. CBI have since registered a case against two former whole-time directors of the banks and also three directors of the company.